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IN THE
Supreme Court of the United States
No. 441, October Term, 1938.

THE ELECTRIC STORAGE BATTERY COMPANY,

Petitioner,

vs.

GENZO SHIMADZU and NORTHEASTERN
ENGINEERING CORPORATION,

Respondents.

REPLY BRIEF FOR RESPONDENTS.

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REPLY BRIEF FOR RESPONDENTS.

POINT I.

Under all the pertinent patent statutes, it is clear that a patentee may prove acts done in a foreign country to antedate an alleged prior use in this country where there is no contest for patent rights to the same invention involving priority of invention.

Petitioner, in its reply brief under this Point, has presented additional argumentative subject matter which is fallacious in its entirety by reason of petitioner's failure to consider all of the pertinent provisions of R. S. 4886 and particularly that which requires that prior knowledge and use in this country of an invention, to be effective to invalidate a patent, must have existed *before the patentee's date of invention or discovery*.^{*} If this section provided that the invention must not have been "known or used by

^{*} Emphasis throughout ours.

others in this country before his invention or discovery thereof, but, in the case of an invention made in a foreign country, before the filing in this country of an application for patent therefor, or before any date to which an applicant may be entitled under R. S. 4887," it would then clearly be susceptible of the construction urged by petitioner. But, R. S. 4886 contains no such provision. Consequently the precise issue is that set forth in respondents' main brief at page 10.

Petitioner is also under the erroneous assumption that "prior knowledge or use" is entitled to the same status, under R. S. 4886, as an invention for which a patent application has been filed or which has been patented and that such "prior knowledge or use" is, therefore, entitled to the same protection against foreign knowledge or use. This argument is not only unauthorized by the patent statutes, but overlooks the primary object thereof. The fundamental purpose of R. S. 4886 is to define the conditions upon which patentable inventions may be patented and not to define or protect prior knowledge or use. Such matters are specified as conditions negating the novelty of inventions for which patents are sought.

Certainly petitioner is unable to cite any section of the patent statutes sustaining its position that prior knowledge or use is entitled to the same protection as a patent application or a patent, as against foreign knowledge or use, in a case not involving priority rights for the same invention. On the contrary the specific wording of R. S. 4886 clearly permits a patentee to establish his date of invention or discovery without limitation as to time or place, where no interference question under R. S. 4923 is involved. There is no limitation in any section of the patent statutes

against a foreign inventor's right to establish antecedent activities abroad to overcome the defenses of prior knowledge or use, prior patenting or prior description in a printed publication, whether domestic or foreign. The only limitation against admitting proof of acts in a foreign country under R. S. 4886 and 4923 is when such foreign activities are relied upon to render "void" a United States patent, or to defeat a patent application in an interference contest, for the same "thing patented" (R. S. 4923).

The authorities have uniformly so held. Walker on Patents (Deller's Edition), page 300 states:

"When a patent is questioned in point of novelty, and when that question depends upon the date of invention claimed in that patent, it is not material whether the event, which constituted that invention, occurred in the United States or in some other country (*Welsbach Light Co. v. American Incandescent Lamp Co.*, 98 Fed. 613 (1899); *Badische Anilin & Soda Fabrik v. Klipstein & Co.*, 125 Fed. 543, C. C. S. D. N. Y. (1903); *Claude Neon Lights v. Rainbow Lights*, 47 F. (2d) 345, 346, D. C. E. D. N. Y. (1931)."

This rule is not anomalous nor unreasonable. The law looks with disfavor upon forfeiture. The manifest intent of the Congress in barring the anticipatory effect of unpublished, unpatented foreign knowledge or use to invalidate a United States patent, or an application therefor, and not subjecting the patentee's countervailing proofs to the forfeiture provisions or bars of the patent statutes, is in conformity with this general rule of law.

Notwithstanding the consistent interpretation of the statutes by the courts since 1896, the date of the

decision in *Hanifen v. Godshalk*, 78 F. 811, as advanced by respondents here, the Congress has not amended R. S. 4886 to give it the construction advanced by petitioner, even though the Congress amended R. S. 4886 as late as 1930 in other particulars. This is persuasive that the Congress adopted the judicial construction given by the courts in infringement suits that a patentee may introduce proofs of acts abroad to antedate an alleged prior use here. This court stated in *Sessions v. Romadka*, 145 U. S. 29, 41-42, that where a certain construction had been given to specific sections of the patent statutes by this Court, and the Congress in a subsequent revision of these sections re-inserted the same language, the Congress "must be considered to have adopted also the construction given by this court to this sentence, and made it a part of the enactment".

Again in *Missouri v. Ross*, 299 U. S. 72, 75, this Court said:

"Moreover, Congress in the face of these decisions has permitted the clause as it now appears in paragraph (6) to stand for many years without change in its phraseology, although amending that portion of the Bankruptcy Act in other particulars. This is persuasive evidence of the adoption by that body of the judicial construction. *United States v. Ryan*, *supra*, at page 175; *Sessions v. Romadka*, 145 U. S. 29, 41-42."

Petitioner bases its whole theory (pp. 2 to 5 of its Reply Brief) as to the important position of an alleged prior "user" or "originator" under R. S. 4886, upon two erroneous premises. First, even though the alleged "user" (Hall) might have been an independent originator in the sense that he derived no knowledge of the process from the true inventor, yet he

was not both an "original and first" inventor. The use of the language "original and first inventor" occurs in other pertinent statutes, such as R. S. 4920—4th paragraph, and R. S. 4892. Respondents submit that this language, especially as used in Section 4920, cannot be ignored. This Court stated in *Milburn Co. v. Davis Co.*, 270 U. S. 390, 402, "The fundamental rule, we repeat, is that the patentee must be the first inventor".

Certainly if the strictest interpretation be given to all these statutes combined, especially as to the meaning of the term "original and first inventor", the patentee, Shimadzu, meets *all requirements*, whereas petitioner's alleged prior user, Hall, does not in the instant situation where prior knowledge or use in a foreign country is not being urged to invalidate a United States patent, or where the question of Hall's right to a patent is not in issue.

Second, petitioner on page 2 of its reply brief gives an unwarranted and unfair meaning to the clause only half quoted from R. S. 4886 "not known or used by others in this country". It is only when the entire clause "not known or used by others in this country before his invention or discovery" is read that the real meaning appears. In construing this statute it is important to note the following acts and omissions of the Congress:

1. By the Act of 1836, the Congress amended the Statute to allow patents to citizens of foreign countries.
2. It amended the Statute to make the critical date prior to which a use must exist to become a statutory bar to the grant of a patent, the date of the inventor's "invention or discovery thereof", rather than the application date (1836).

3. In the amendment of 1870, Congress added the words "in this country" to limit the place of the knowledge or use which would bar the grant of a patent.
4. Neither in the amendment of 1870 nor at any time, then, has Congress limited the requirement that an alleged prior use must have existed prior to the date of the invention or discovery to those cases only where the invention is made in this country.

It is, therefore, clear from these amendments that petitioner's contention that a prior user is entitled to the same protection under R. S. 4886 against foreign knowledge and use as the inventor of a patentable invention is wholly unwarranted.

The correctness of respondents' position as to the construction which the Congress intended R. S. 4886 to be given is obvious at once from an application of the clauses thereof in controversy to a specific situation, as follows:

"Any person" (for example, a Canadian residing in Canada) having made an invention "not known or used by others in this country" (the United States) "before his" (the Canadian's) "invention or discovery thereof" (in Canada) may obtain a valid patent therefor.

Naturally, petitioner would like to have this infringement suit resolve itself into a contest of priority for the same patent rights, since in that event the case would come squarely within the provisions of R. S. 4923. Then in order to protect petitioner's patent rights, or the "thing patented" (R. S. 4923) the knowledge and use in a foreign country would have no effect.

7.
However, on such an issue, Hall and petitioner are one, petitioner having stated (R. I. 94):

"The parties to this infringement suit are the same as the parties to the interference *Hall v. Shimadzu* decided by the Court of Customs and Patent Appeals, 59 Fed. (2d) 225."

and at R. I. 106:

"In the Patent Office proceedings Hall, in whose shoes Defendant stands, introduced testimony * * *."

After petitioner had its day in court in the interference and lost, it then amended its own claims in order to obtain and accept a limited patent, thus forfeiting all further claim to the inventions here in issue, under the well known doctrine of estoppel by its file wrapper history.

Again, where the parties here are the same as those involved in the interference, the issue of "prior inventorship" has been settled in favor of respondents under the doctrine enunciated by this Court in *Morgan v. Daniels*, 153 U. S. 120, and *Radio Corp. v. Radio Lab.*, 293 U. S. 1.

No additional or different proof from that adduced by petitioner in the interference of the quantity, quality or character, sufficient to satisfy the rule enunciated by the foregoing authorities, is present in this case. No explanation has been offered by petitioner that such additional evidence as it introduced here was not available to it during the interference. As a matter of fact petitioner refused to offer such evidence in the interference even though specifically requested by respondents (PX 41, pp. 55, 60, 61).

Petitioner having withheld such evidence should not now be permitted to obtain any benefit therefrom. *Barrett Co. et al. v. Koppers Co. et al.*, 22 Fed. (2d) 395.

While respondents are not unmindful of the rule that in the absence of a cross writ of certiorari they cannot complain here of an erroneous decision below, nevertheless they are not estopped from urging the correct ground upon which to support the decisions below. *Langnes v. Green*, 282 U. S. 531, 538; *Stelos Co. v. Hosiery Motor-Mend Corp.*, 295 U. S. 237; *Commission v. Havemeyer*, 296 U. S. 506, 509; *Helvering v. Gowran*, 302 U. S. 238, 245; *Helvering v. Pfeiffer*, 302 U. S. 247, 252, 253.

The additional proofs introduced by petitioner in this case did not offset the fact that petitioner did not have a successful reduction to practice because the material "caught fire right along" as the record shows (PX 41, p. 91). Thus Kohl, one of petitioner's witnesses, stated (PX 41, p. 90) that in 1920, when the production was "very, very small" work was continued on the mills "until three years after that time we got it up to maybe seven or eight hundred pounds an hour". During this time they had "lots of" difficulties with the "mechanical operations and the drives and we had to make various changes in the driving of the mill; also in changing the method of feeding the balls into the mill, and changes on the end in order to get the stuff out of the mill. All those changes I cannot recall what they were, but there were many."

It was obviously during this period that the material "caught fire right along" as stated by this witness.

Petitioner's witness Shaw also stated (PX 41, p. 79):

"Another time it caught fire, had trouble with the drives—mechanical trouble."

A third witness, Lattman, testified (PX 41, pp. 86, 87) as follows:

"Q. Do you remember whether it ever took fire? A. I know it caught fire.

Q. That is, the material inside? A. The material inside."

In view of this evidence it is not surprising that the Court of Customs and Patent Appeals stated in *Hall v. Shimadzu* interference, 59 F. (2d) 225, 228:

"We are of the opinion that the Board of Appeals committed no error in finding that * * * the record is insufficient to establish conception or reduction to practice of the subject-matter of the counts by appellant (Hall) prior to appellee's (Shimadzu's) filing date."

The mere fact that on one day in June, 1921, petitioner may have run the mill on a commercial scale does not offset the decisions of the Patent Office and Court of Customs and Patent Appeals because subsequent events clearly show petitioner was not satisfied, but made further elaborate tests which required many changes in the apparatus and process (see our main brief, pp. 56-58).

One of the main features of reduction to practice is to demonstrate the success of an invention. Thus, this Court stated in *Corona Co. v. Doan Co.*, 276 U. S. 358, 383, that a process is reduced to practice

when it is "successfully" performed. However, as late as December, 1921, petitioner was still experimenting along lines leading in the wrong direction of using less air but increasing the peripheral speed. When the Hall application was filed nearly three years later, a complete change was made, and the air flow was increased nearly 500%. As to when this important change was made in actual practice, the record is entirely silent, although all the facts were within the knowledge of petitioner.

Petitioner's statements (Reply Brief, p. 3) that the amendment of R. S. 4887 of 1903 would serve no useful purpose under respondents' views, are not correct. The effect of filing of an application on the main issue of "priority of invention" is only one of five essential factors to be considered in a determination of priority. Thus (1) conception, (2) disclosure, (3) diligence, (4) actual reduction to practice, as well as (5) the effect of the filing of the application are all elements establishing priority. The 1903 amendment merely added to the effect of *one* of these five factors. (See Rule 110 of the Patent Office Rules of Practice.)

In petitioners' reply brief, at page 7, a criticism is advanced against respondents' statement that written description in a foreign application is evidence of conception on the ground that no authority is given in support thereof. This support is found in the sequel (printed in the Appendix hereto) to a Patent Office interference case cited by petitioners, *Lauder v. Crowell*, 1879 C. D. 177. In that case both inventions occurred in a foreign country. Notwithstanding the Patent Office interference practice excluding fact testimony of acts done abroad, a motion

to take testimony abroad was made and granted. In Volume 21, pages 227, 228 of the Commissioner's decision, the Commissioner stated:

"By means of this testimony and the accompanying exhibits, it is now conclusively shown that Percy D. Hedderwick, applicant in this case is the person of that name mentioned in the English patent, No. 1581, for the year 1870, the completed specification of which was filed November 30, 1870, and that he *is the original and true inventor of the matter here at issue*. Giving the utmost effect to the proofs presented by Duncan, Wilson and Lauder, the earliest date to which they would be entitled, is that of the filing of their completed English specification May 16, 1871. This, however, *is subsequent to the date of invention proven by Hedderwick's English patent, and in his favor priority of invention is accordingly awarded*. The decision of the Board of Examiners-in-Chief is now affirmed.

.E. M. Marble, Com. of Pat.

July 10, 1880."

In view of the foregoing arguments the additional argumentative subject matter presented by petitioner under Point I in its reply brief is entirely irrelevant to any issue here presented, as the same clearly overlooks that portion of R. S. 4886 which makes fundamental the requirement that prior knowledge and use of an invention in this country, in order to invalidate a patent must have existed before the date of the invention or discovery. Shimadzu completed his invention in August, 1919, long before the date of any knowledge or use thereof by others in this country. He was therefore, in fact, as well as in law the "first"

inventor, and under R. S. 4886 his patents are clearly valid as the courts below concurrently held. Unless and until R. S. 4886 is amended to provide that in respect of inventions made in foreign countries, knowledge and use thereof in this country prior to the date of application for patent therefor in this country or prior to any date to which an application may be entitled under R. S. 4887, will bar the grant of a valid patent, petitioner's contention is without basis in law.

POINT II.

Reply to petitioner's argument on concealment in Point II of its reply brief.

(1) *Rubber Company v. Goodyear*, 76 U. S. 788, 801, plainly decided that a *defense* which had not been pleaded could not be availed of after the trial. True, in that case the specific defense involved was that the devices had not been marked "Patented" but the principle is identical with that here involved, and the same rule of law is here applicable. Petitioner excuses its failure to plead concealment on the ground that it mistakenly assumed that the patents in suit were invalid because of certain Japanese patents, but both lower courts have found to the contrary. Merely because of petitioner's mistaken assumption below, it should not be permitted to raise this defense *de novo* here.

The cases relied on by petitioner (Reply Brief, p. 11)—*Slawson v. Grand Street R. R. Co.*, 107 U. S. 649, *Dunbar v. Myers*, 94 U. S. 187, and *Brown et al. v. Piper*, 91 U. S. 37, 44, do not support its

position. Those cases did not deal with affirmative defenses but with situations where the inventions described in the patents and the bills were plainly not patentable,—a question of law which the court could determine from within the four corners of the patents and which required no affirmative defense. Such cases hold indeed that the court can of its own motion dismiss a bill where lack of patentable novelty appears on the face of the patent.

Petitioner argues that the invalidity of the patents in suit appears from the face of the opinions below, but those opinions are based on the facts pleaded, including the defenses, and the evidence taken in support of the pleadings—hardly an analogous situation. Moreover, after the opinion was filed by the District Judge, two rehearings were had before him, one on motion of petitioner and one on motion of respondents. On neither of these motions was the question of concealment raised (R. II. 1189: 36 U. S. P. Q. 25).

The quotation from the District Court's opinion (Petitioner's Reply Brief, p. 11) shows that the question of concealment was not tried before the court. Neither was this point argued or raised in the briefs before the Circuit Court of Appeals.

Obviously, because of petitioner's failure to plead this defense, or to introduce evidence directed to it, or to urge it in its arguments or briefs, it should not be considered now.

(2) Petitioner in its reply brief (pp. 12, 13) misconceived the purpose of respondents' reference to Shimadzu's December, 1920, application. Reference to this application was made by respondents as an incident to show that Shimadzu's activities through-

out were inconsistent with, and conclusively rebut, any attempt to conceal or withhold his inventions. Intention is an important element of the doctrine of concealment, which is based on the theory of abandonment.

The fact that Shimadzu reduced his invention to practice in 1919 and in 1920 was producing for commercial purposes, does not detract in any way from the rule of law that a patentee is entitled to further time for the development of his machine or process from a business point of view before he files his application. In *Gandy v. Main Belting Company*, 143 U. S. 587, 592, 593, this Court said:

“Taking all these provisions of the patent law together, we think it was manifestly the intention of Congress that the right of the patentee to his invention should not be denied by reason of the fact that he had made use of it, or put it on sale abroad, more than two years before the application, provided it were not so used or sold in this country.”

On page 14 of its reply brief petitioner speaks of Shimadzu withholding his invention from the American public for years after June, 1920. However, the record shows that in addition to the application filed in December, 1920, in January, 1922, he filed his application for United States Patent No. 1,584,149, held valid and infringed; in February, 1923, he filed his application for United States Patent No. 1,584,479, in which he described the process of simultaneous oxidation and abrasion of lead pieces into a fine powder. In July, 1923, he filed his application for United States Patent No. 1,584,150. This is hardly a history of suppression and concealment. Hall, on

the contrary, claims to have reduced his invention to practice in June, 1921, but failed to file any application for patent until March, 1924. When his application was allowed with limited claims, he permitted it to be forfeited and only had it reinstated after Shimadzu's United States patents were published in this country.

Moreover, in all patent cases where the doctrine of concealment has been applied, beginning with *Mason v. Hepburn*, 13 App. D. C. 86, of 1898, through *Stresau v. Ipsen*, 77 Fed. (2d) 937 (1935), it will be found that an incitation or spurring to activity by the early inventor due to the knowledge of the entrance of a rival in the field has become an essential element thereof. Thus in *Mason v. Hepburn*, the court stated that the first inventor probably forgot all about the invention, that "as a thing of value it had passed out of his mind" and was only recalled when he saw a publication of a patent to a rival in the Patent Office Official Gazette. In the recent case of *Stresau v. Ipsen*, this doctrine was elaborated upon after a review of the applicable cases, the court there stating (p. 943):

"A careful examination of the cases so cited discloses that in each of them the factor of incitation to activity was, in fact, found to be present.

* * *

The first inventor, in fact, is presumed to be the first inventor in law; the patent statutes contemplate that the first inventor of a patentable device or process shall receive patent therefor, and, generally speaking, his right thereto may not be defeated by a subsequent inventor, or by the public, unless an abandonment of the right on the part

of such first inventor be shown. *Rolfe v. Hoffman*, 26 App. D. C. 336, 344; *Hubbard v. Berg*, 40 App. D. C. 577; *Townsend v. Smith*, 36 F. (2d) 292, 294, 17 C. C. P. A. (Patents) 647, with their appropriate citations."

In the instant case petitioner has made no attempt to show that Shimadzu was incited to activity by any knowledge of any kind whatever in respect of the activities of petitioner and Hall or of any one else. Therefore, it necessarily follows that petitioner's alleged defense on this ground fails.

POINT III.

Reply to petitioner's argument on public use under Point III of its reply brief.

To argue that the District Judge, when he spoke of commercial production in 1921 by the Hardinge Mill, meant public use, is wholly unwarranted. Plainly, what the District Judge meant by commercial production was production on a commercial scale as against a laboratory scale, for there is not one iota of evidence in the case to show that any of the leaden powder produced during the year 1921 by Hall in his mill was used on plates installed in batteries sold to the public by petitioner. In fact, the evidence is all to the contrary. The log sheets (DX 61, 62, 63, 64) plainly show that petitioner was experimenting for some time thereafter with all possible variations in load, speed of revolution, quantity of air and degree of oxidation.

Moreover, Hall's witnesses admitted in the interference that for the period 1921 to 1923 the lead balls

were coming out with the powder at the discharge end of the mill and that the mill frequently caught on fire (PX 41, pp. 79, 87, 90, 91, 92).

Again, as late as December, 1921 (DX 63) Hall was travelling in a direction diametrically opposed to the proper one in that he was decreasing the insignificant amount of air with which he theretofore had been experimenting, whereas it was only by increasing it many fold that he eventually successfully completed his process.

Why refer to Cooper and Nagel, who worked for petitioner sometime between 1923 and 1930 to argue that petitioner's process was public in 1921? The presumptions advanced by petitioner (pp. 16, 17 of its Reply Brief) have no retroactive effect. No presumptions with respect to Cooper's activities in 1923 can have any evidentiary value as to the operation of petitioner's plant in 1921.

Thus in *Ellis v. State*, 128 Wis. 513, 524, the court stated:

"It is an elementary principle of evidence that, as a general rule, presumptions do not run backward."

In *Corbin & Co. v. United States*, 181 Fed. 296, 304 (C. C. A. 6), the court stated:

"We do not understand the rule of presumptive evidence to be that if and when the existence of a given condition is proven there is a presumption that it had existed previous to that time."

See also *Liverpool etc. Co. of Liverpool, England v. Nebraska Storage Warehouses*, 96 Fed. (2) 30, 36 (C. C. A. 8), where the same rule of law is reiterated.

Moreover, there is no basis for relying on a mere presumption when evidence of the real facts is in the possession of petitioner who failed to produce it.

Petitioner's belated claim that there was any element of publicity whatsoever in respect of any of petitioner's activities during the critical period is further shown to be unjustified by affidavits and statements made by petitioner in opposition to respondents' motion to inspect petitioner's plant. Thus petitioner's President, Williams, stated (R. I. 68) that petitioner employs a large staff of capable technical experts and has developed and improved to a high degree of efficiency the methods of producing the product in question, and that:

"The set-up and arrangement of the Defendant's plant is an exceedingly valuable asset in that it reduces or minimizes the cost and insures uniformity of product."

Williams also points out that:

"No competitors of the Company should be given access to or by inspection obtain the benefit of this time and work and expense and thus cause the Defendant a very substantial injury and loss."

Moreover in the same affidavit (R. I. 68) Williams stated that:

"Since 1895 and for a very substantial consideration the Defendant has had an agreement with the Accumulatoren-Fabrik Aktiengesellschaft, a German corporation, the largest manufacturers of storage batteries in Continental Europe, whereby engineering and technical information and new developments are exchanged between the two companies."

It would be entirely inconsistent with the letter and spirit of such an agreement for petitioner to permit a valuable process such as that here involved, to become public property.

Again petitioner's counsel (R. I, 105) in the memorandum opposing respondents' petition to inspect petitioner's plant pointed out that petitioner was entitled to protection against "impertinent intrusion". If the plant was open to the inspection of the public, as petitioner now claims, it is obvious that such objection to inspection would never have been advanced by petitioner.

The above facts indicate quite clearly the privacy in which petitioner maintained its activities. As against these, the record fails to show a single circumstance indicating that the slightest color of publicity can be attached thereto. When it is remembered that the defense of public use must be proven beyond a reasonable doubt, it will be seen that this defense must fail.

On page 17, in referring to *Twyman v. Radiant Glass Co.*, 56 Fed. (2d) 119, petitioner fails to point out that the ground on which the court held public use was that great numbers of the glass cylinders were unconditionally sold to the public and not made for experimental purposes but mainly for the purposes of trade.

In *Egbert v. Lippmann*, 104 U. S. 333, the device embodying the invention was furnished on two different occasions to a woman for use. It was exhibited and explained to another person. The inventor waited eleven years before filing his application. The invention had, in the meantime, found its way into

almost universal use. The court held that the inventor, having learned from this general use that there was some value to his invention, could not by his application acquire rights which he had clearly dedicated to the public.

In *Hall v. Macneale*, 107 U. S. 90, 97, referred to on page 17, petitioner fails to point out that three of the safes containing the bolts in question, were actually and unconditionally sold and two were exhibited at fairs.

Petitioner misconceives the purport of respondents' statements on pages 56, 58 of their main brief, showing that petitioner's uses from 1921 to 1923 were experimental in character. These statements show that Hall was experimenting and testing out his invention in order to demonstrate its commercial utility and therefore his acts were not a public use.

That the rule as to public use is very different in the case of a machine or process from that of a product is clearly pointed out in *Bryce Bros. Co. v. Seneca Glass Co.*, 140 Fed. 161, at page 172, where the court said:

"These principles strike me with great force as being sound and reasonable, and from them I am fully persuaded that a clear distinction must be drawn between the experimental use allowed of a machine sought to be patented, designed to produce articles, and that of a mere patented article itself, designed for general use or consumption. In the latter case, a presumption arises that, when the inventor issues to the public the article, he regards it as a finished product, and, in case he does not apply for patent within two years after, abandonment of his purpose to

so do may well be assumed. In the case of a machine designed to manufacture articles, on the contrary, reason and common experience teach us that in most cases such a machine will not come at once a perfect product from the first castings. Almost inexplicable defects will generally be found to mar the perfect operation. These defects must frequently be remedied, often by long study and much experimentation. The article itself may be produced by the machine in perfect state or nearly so, yet not quickly, effectively, and practically by reason of the defects in the machine."

In *American Caramel Co. v. Thomas Mills & Bros.*, 149 Fed. 743, citing *Bryce Bros. Co. v. Seneca Glass Co.*, *supra*, the court in holding that the use of the machine was experimental and there was no public use thereof, even though the caramels made by it were sold to the trade, likewise pointed out this difference.

In *Peerless Roll Leaf Co. v. H. Griffin & Sons Co.*, 29 F. (2d) 646 (C. C. A. 2) Judge Learned Hand said (p. 648) in holding that an alleged use was not public:

"So it becomes necessary to decide whether the use was 'public,' within the meaning of Revised Statutes, §4886 (35 USCA §31). We think it reasonably clear that the machines were intended to be kept from the knowledge of the public in general; there could have been no other reason for isolating them in a separate room and allowing access to only three employees. It is true that these three were not expressly pledged to secrecy, and this has at times been regarded as important. *Bliss Co. v. Southern Can Co.* (D.

C.) 251 F. 903, 909; and indeed it was doubted in *Perkins v. Nashua, etc. Co.* (C. C.) 2 F. 451, whether even an express pledge would serve. It seems to us that a pledge is only one circumstance, and that the question is to be decided by considering whether in fact the use was such as to impart knowledge to the trade at large. We held in *Schrader v. Wein Sales Corporation* (C. C. A.) 9 F. (2d) 306, that, when only the inventor and an assistant had access to the machine, no pledge need be proved; it was implicit in the situation. * * *

The cases nearly always also raise the question whether the invention is in process of experiment or testing, and, while this honestly continues, the publicity of the use is not important. *Egbert v. Lippman*, 104 U. S. 333, 336, 26 L. Ed. 755; *Elizabeth v. Pavement Co.*, 97 U. S. 126, 134, 24 L. Ed. 1000. It is probable that the use at bar was, at least in part, and perhaps altogether, of this kind, but we prefer not to strain that aspect of the evidence. The word 'public' means more than that the use shall not be experimental; it is possible, even after the time of experiment has passed, to practice the invention without abandonment. An inventor working by himself presents a simple case, but we cannot suppose that his rights are greater than those of a company. There must be some way by which they can privately practice their inventions as well as he, and yet any practice involves the knowledge of some employees. When the number of these is limited to as few as are necessary to practice it at all, when customers and the public generally are excluded, and adequate precautions are taken to prevent dispersion of the knowledge until at least two years before application is made, it seems to us enough, whether

a formal pledge of secrecy be exacted or not. Those workmen who will keep it do not need it; those who will not, it will not bind."

CONCLUSION.

The decree of the Court below should be affirmed or, in the alternative, the Writ of Certiorari should be dismissed.

Respectfully submitted,

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Dated, February 25, 1939.



APPENDIX.

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Rule of Practice 110 of the United States Patent Office:

"Each party to the interference will be required to file a concise preliminary statement, under oath, on or before a date to be fixed by the office. When the invention was made in the United States the statement should so allege and show the following facts:

(a) The date upon which the first drawing of the invention and the date upon which the first written description of the invention were made.

(b) The date upon which the invention was first disclosed to others.

(c) The date of the first act or acts (other than the acts specified in (a) and (b)) which, if proven, would establish conception of the invention, and a brief description of such act or acts.

(d) The date of the reduction to practice of the invention.

(e) The date when he began actively exercising reasonable diligence in adapting and perfecting the invention.

* * * * *

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United States Patent Office.

Interference D—*Hedderwick v. Duncan, Wilson & Lauder.*

Interference F—*Lauder v. Hedderwick.*

Appeal from the Board of Examiners-in-Chief.

Re-Hearing

PAPER FOLDING MACHINES

MESSRS. MUNSON & PHILIPP for Hedderwick.

MESSRS. RAKEWELL & KERR for Duncan, Wilson & Lauder.

Interference D

Percy D. Hedderwick (application filed August 16, 1875).
Duncan, Wilson & Lauder (application filed Dec. 10, 1873).

My predecessor in office, on June 6, 1879, rendered a decision in the above entitled interference, reversing the decision of the examiner of interferences and the board of examiners-in-chief and awarding priority of invention to Duncan, Wilson and Lauder. In his decision the following language occurs.

"The result is that Hedderwick's earliest date legally established by the proofs is that of his American application, August 16, 1875. His application is therefore defeated by the English specification of Duncan, Wilson and Lauder of May 16, 1871. If the utmost effect be given to

the testimony of Duncan, Wilson and Lauder, their earliest date is that of their English specification May 16, 1871. But the English specification of Hedderwick of October 14, 1870, is fatal to their application for a patent for an invention made May 16, 1871. If their proof does not fix their date, at the date of their English specification, then it fixes it at the date of their American application December 10th, 1873, which although earlier than that of Hedderwick's application, is later than that of Hedderwick's English specification.

"The judgment of the Board of Examiners-in-Chief awarding priority to Hedderwick is reversed. But no patent will be allowed to either party without further proof. If, at the examination of six months from the date hereof, either party shall have failed to establish by legal proof a date of invention earlier than the date of the English patent of the other party, the interference will without further order, be dissolved, and the application of the parties in default finally rejected."

From this excerpt it will appear that while the English patent of Hedderwick was regarded as containing the invention in controversy and as sufficient to bar the grant of the patent in the absence of further proof to Duncan, Wilson and Lauder, it was also held that Hedderwick had not so introduced the same in evidence as to be entitled to carry back and connect therewith his invention.

The decisions of the lower tribunals were based upon the ground, which was not disputed by counsel, that this patent was properly in evidence.

A motion was subsequently made on behalf of Hedderwick, to take testimony abroad and was granted, and upon interrogatories and cross-interrogatories in proper form the testimony of Percy D. Hedderwick was taken. By means of this testimony and the accompanying exhibits, it is now conclusively shown that Percy D. Hedderwick, applicant in this case is the person of that name mentioned in the English patent, No. 1581, for the year 1870, the completed specification of which was filed November 30, 1870, and

that he is the original and true inventor of the matter here at issue. Giving the utmost effect to the proofs presented by Duncan, Wilson and Lauder, the earliest date to which they would be entitled, is that of the filing of their completed English specification May 16, 1871. This however, is subsequent to the date of invention proven by Hedderwick's English patent, and in his favor priority of invention is accordingly awarded.

The decision of the Board of Examiners-in-Chief is now affirmed.

E. M. MARBLE, Com. of Pat.

July 10, 1880.